Government of Saskatchewan

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Weekly Cattle Market Update

For the Week Ending June 9, 2017

All prices are quoted in Canadian dollars per hundredweight ($/cwt) unless otherwise stated.

Saskatchewan Feeder Steer and Feeder Heifer Prices ($/cwt)								
Feeder Steers		**300-400**	**400-500**	**500-600**	**600-700**	**700-800**	**800-900**	**900+ lb.**
June 9/2017	Average	**$250.25**	**$248.88**	**$251.83**	**$233.00**	**$218.17**	**$198.33**	**$182.67**
June 9/2017	Range	**231-271**	**241-266**	**239-267**	**224-250**	**210-236**	**193-209**	**176-195**
week/week	Change	**N/A**	-$5.29	-$1.05	-$1.83	-$1.93	-$1.67	**N/A**
June 2/2017	Average	**N/A**	**$254.17**	**$252.88**	**$234.83**	**$220.10**	**$200.00**	**N/A**
Feeder Heifers		**300-400**	**400-500**	**500-600**	**600-700**	**700-800**	**800+ lb.**	
June 9/2017	Average	**$226.83**	**$223.13**	**$217.38**	**$207.00**	**$196.33**	**$181.50**	
June 9/2017	Range	**215-257**	**215-237**	**210-231**	**199-221**	**187-209**	**170-198**	
week/week	Change	**N/A**	-$1.12	-$4.12	**$0.00**	**$7.58**	**$0.33**	
June 2/2017	Average	**N/A**	**$224.25**	**$221.50**	**$207.00**	**$188.75**	**$181.17**	

Source: Canadian data is provide by CanFax and cannot be redistributed without Canfax consent (www.canfax.ca).
Note: Prices are determined from Saskatchewan auction marts' reports of sale results from Thursday of the previous week to Wednesday the current week. N.A. means not available due to lack of sufficient data.

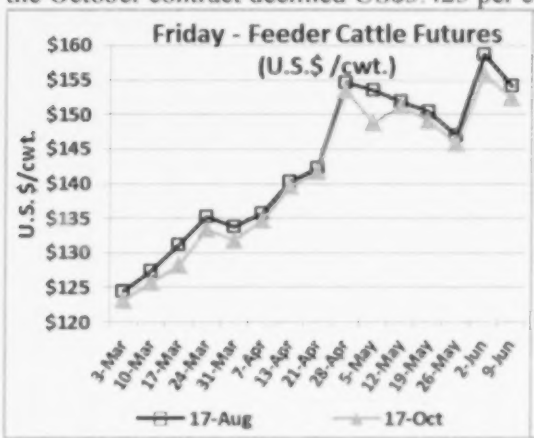
Canfax reported that a total of 7,108 head of cattle were sold in Saskatchewan this week, up from 5,343 head sold the previous week, and up from 5,618 head the same week a year ago.

Saskatchewan feeder steer prices were reported in all the weight categories over the week with prices moving lower after rebounding the previous week. Feeder steer prices over the week declined between $1.05 per cwt and $5.29 per cwt. The 400-500 lb. feeder steer weight category had largest price decline. On average, Saskatchewan feeder steer prices declined by over $2 per cwt. In contrast, Alberta feeder steer prices increased between $2 and $3 per cwt over the week.

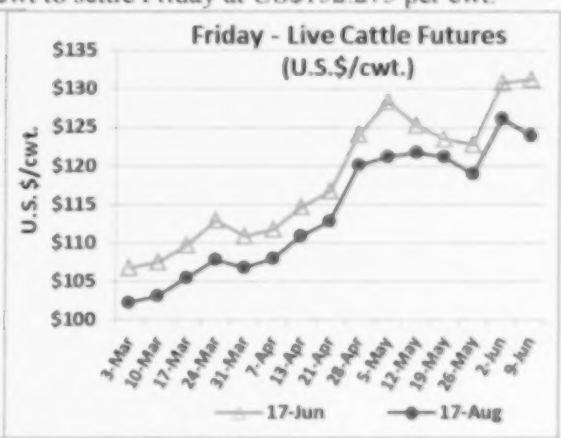
Saskatchewan feeder heifer prices were reported in all weight categories over the week with prices mixed from the previous week. Feeder heifer prices ranged between $4.12 per cwt lower and $7.58 per cwt higher from the previous week. The biggest price gain over the week was in the 700-800 lb. weight category; while the largest loss was in the 500-600 lb. feeder heifer weight category. Saskatchewan feeder cattle prices are provided by Canfax (#403-275-5110) or (www.canfax.ca) and cannot be redistributed without permission.

The Saskatchewan 750 lb. feeder steer basis compared to the June 8, 2017, U.S. feeder cattle index at US$154.91 per cwt was calculated at (+$9.76) per cwt ($218.17 - US$154.91/0.7433, a basis widening of $8.04 per cwt from (+$17.80) per cwt compared to the previous week.

Feeder cattle daily futures prices were mixed over the week with near contract limit declines on Tuesday to help push prices lower after the previous week's large price gains. The nearby August 2017 contract declined US$4.550 per cwt to settle Friday at US$154.175 per cwt; while the October contract declined US$3.425 per cwt to settle Friday at US$152.275 per cwt.



Source: CME, LMIC



Source: CME, LMIC

Live daily cattle futures prices were also mixed over the week with bigger declines Tuesday to end the week mixed, week-over-week. The nearby June contract increased US$0.425 per cwt to settle Friday at US$131.250 per cwt; while the August contract declined US$2.200 per cwt to settle Friday at US$123.850 per cwt.

Iowa cash corn prices settled Friday at US$3.41 per bushel, up 12 cents from US$3.29 per bushel the previous Friday. Corn futures moved higher over the week with big gains Wednesday to lead prices higher. The July contract increased 15 cents to settle Friday at US$3.87 ¾ per bushel, while the September contract also increased 15 cents to settle Friday at 3.95 ¾ per bushel.

Fed and Non-fed Cattle

	June 9, 2017	June 2, 2017	Week over Week
Steers (Alberta)			
Live	$170.74	$167.91	+$2.83
Rail	$282.00 to $284.50	$273.50 to $282.50	+$8.50 to +$2.00
Cows (Alberta)			
D1,2 Live	$111.63	$111.80	-$0.17
D3 Live	$98.50	$99.67	-$1.17
Rail	$207-212	$205-210	+$2.00

Source: Canfax. (n/a = not available, n/c = no change)

Prices for liveweight, non-fed cattle in Alberta were lower over the week. The price of D1,2 slaughter cows declined slightly ($0.17 per cwt) to average $111.63 per cwt; while the price of D3 slaughter cows declined $1.17 per cwt to average $98.50 per cwt. Fed cattle prices for Alberta fed steers averaged $170.74 per cwt over the week, up $2.83 per cwt from $167.91 per cwt the previous week. Western Canadian slaughter cattle prices are provide by Canfax and cannot be redistributed without permission from Canfax (www.canfax.ca).

The live (FOB feedlot) weighted average 5-area (Texas/Oklahoma/New Mexico, Kansas, Nebraska, Colorado and Iowa/Minnesota) weekly fed steer price in the U.S. was reported at US$136.07 per cwt, down US$0.20 per cwt from US$136.27 per cwt the previous week; but up 6.7 per cent from US$127.52 per cwt the same week a year ago. The dressed (delivered basis) price for U.S. steers delivered to plants in the 5-area was reported at US$218.36 per cwt, up US$2.36 per cwt or 1.1 per cent from US$216.00 per cwt the previous week, and up 6.2 per cent from US$205.64 per cwt the same week a year ago.

Beef production for the week was estimated at 489.9 million lb., up 13.3 per cent from 432.4 million lb. the previous shorter U.S. holiday week, and up 1.7 per cent from 481.8 million lb. the same week a year ago. Cattle slaughtered over the week were estimated at 622,000 head, up 13.1 per cent from 550,000 head the previous week, and up 4.7 per cent from 594,000 head the same week a year ago.

U.S. choice beef cutout prices (600-900 lb.) averaged US$250.22 per cwt over the week, up US$4.78 per cwt or 1.9 per cent from US$245.44 per cwt the previous week, and up 10.9 per cent from US$225.60 per cwt the same week a year ago. Weekly prices established highs not reached since July 2015.

USDA World Agricultural Supply and Demand Estimates (WASDE)

The USDA released the June World Agricultural Supply and Demand Estimates (WASDE) on Friday June 9th. The June USDA WASDE report revised the 2017 United States Red Meat and Poultry production estimates slightly lower to 100.735 billion lb., a 0.3 per cent decline from the May estimates, but still a 2.9 per cent increase from 97.612 billion lb. produced in 2016. The June beef production estimates for 2017 were estimated at 26.225 billion lb., down 0.3 per cent from the May estimates, but overall 4.0 per cent higher than 2016 U.S. beef production.

USDA June World Agricultural Supply and Demand Estimates

		Million Pounds				Total Red Meat
	Quarter	Beef	Pork	Broiler	Turkey	& Poultry
2014	Annual	24,252	22,843	38,550	5,756	92,171
2015	Annual	23,698	24,501	40,048	5,627	94,630
2016	Annual	25,221	24,941	40,695	5,981	97,612
% Chg.	2015-2016	6.43%	1.80%	1.62%	6.29%	3.15%
2017	May Proj.	26,310	26,054	41,482	6,122	100,735
2017	June Proj.	26,225	25,894	41,458	6,092	100,435
% Chg.	May to June	-0.32%	-0.61%	-0.06%	-0.49%	-0.30%
% Chg.	2016 to 2017	3.98%	3.82%	1.87%	1.86%	2.89%

Source: USDA June WASDE Report, June 9, 2017

Leading the way in United States meat production increases in 2017 (by percent) are projected to come from beef (+4.0%), pork (+3.8%), and turkey (+1.9%), followed by broilers (+1.9%). (Source: USDA WASDE) Production estimates in all four livestock sectors were lowered from the May estimates for 2017. Lower cattle and hog weights were a factor.

United States crop projections for (2017/2018) have projected corn acreage at 90 million acres, down from 94 million acres the previous year, but unchanged from the May estimates. Lower corn acres along with lower yield projections have reduced corn production by almost 1.1 billion bushels from the previous year. While U.S. corn production is projected to be significantly lower; reduced corn exports and usage may only reduce ending supplies by less than ten per cent. U.S. Soybean production is projected at 89.5 million acres, up from 83.4 million acres the previous year. Production is however estimated to slightly decline from the previous year based on lower soybean yields. With higher projected soybean imports; U.S. ending soybean stocks are actually projected to increase 10 per cent from the previous year.

Friday Price Information

Product		This Week (June 9, 2017)	Week of: (June 2, 2017)	Week of: (June 10, 2016)
Canadian Dollar (closing rate US$)		.7433	.7405	.7839
U.S. Cash Cattle				
Thurs. Feeder Cattle (FC) Index (US$ per cwt)		154.91	149.80	148.91
Seven-day Weighted Average FC Index Wt. (lb.)		796	807	761
Live Fed 5-area Steer Price (US$ per cwt)		136.07	136.27	127.52
Feed Grains				
Barley	Lethbridge ($/tonne)	178.00	185.00	206.00
	($ per bu.)	3.88	4.03	4.48
Corn	Iowa State Average (CDN$/tonne)*	180.61	174.91	189.83
	(US$ per bu.)	3.41	3.29	3.78
	Omaha, NE (CDN$/tonne)*	190.14	182.88	200.38
	(US$ per bu.)	3.59	3.44	3.99
Futures				
	July Corn (US$ per bu.)	3.87 ¼	3.72 ¾	4.23
	September Corn (US$ per bu.)	3.95 ¾	3.80 ¾	4.27 ½
	June Live Cattle (US$ per cwt)	131.250	130.825	122.450
	August Live Cattle (US$ per cwt)	123.850	126.050	117.350
	August Feeder Cattle (US$ per cwt)	154.175	158.725	145.550
	October Feeder Cattle (US$ per cwt)	152.275	155.700	142.650

Sources: Bank of Canada, Iowa Department of Agriculture and Land Stewardship, Chicago Mercantile Exchange (CME), ICE Futures Canada and USDA Livestock & Grain Market News
* conversion to CDN$ is based on Friday's CDN$ closing rate.

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